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Text of the Major Findings of the President's Advisory Committee on Foreign Aid

Special to The New York Times.

WASHINGTON, March 6—Following are the letter of transmittal and the major findings of the report of the President's Citizen Advisers on the Mutual Security Program released today:

There follows the report of the President's Citizen Advisers on the Mutual Security Program, made pursuant to your letter of Sept. 22, 1956, which you asked that we examine the foreign assistance question therefore in the light of the [illegible] point [illegible] defense support," which is in [illegible] portion of what is now called

eighteen countries in Europe, the Near and Far East were visited, and United States officials from eight other countries met with us en route. Gen. Walter Bedell Smith personally visited two Central

Part IV—Administration

Separation of Military and [illegible]

[illegible] Ambassador to the [illegible] serving until [illegible] 1950 he was appointed Director of Central [illegible] agency, serving as [illegible] Under [illegible] in February [illegible] held-over [illegible] administration [illegible]

[illegible] material supplied [illegible] recent cutbacks in [illegible] Western Europe con[illegible] for about two[illegible] equipment [illegible] over [illegible] cost [illegible] aid for [illegible] $11.3 [illegible]

In all cases, the guiding principle governing military [illegible] should be the obligation [illegible] of each country to bear its fair share of the cost of the common defense. We are [illegible] the common defense.

In summary, United States [illegible] private trade and business [illegible] facilities provided a total of $20.4 billion to foreign areas in the last fiscal year. During the same year total United States expenditures abroad [illegible] vided in the collective security [illegible] ty program were $17.9 billion. Of this amount $2.3 billion were expenditures abroad by United States military forces and other Government agencies. There remained, therefore, $3.6 billion in total direct foreign assistance expenditures. Of this amount $3.9 billion, or about 70 per cent, was in military assistance and $1.7 billion in the form of economic assistance.

[illegible] Thunder of Italy and Ger[illegible]

Thumbnail Sketches of [illegible] on Mutual Security Program

[illegible] Smith

Jesse W. Tapp

[illegible] Mutual security rests squarely upon mutuality of obligation and a general agreement among these participating as to the desirability of the ends sought. Unless this be kept constantly in mind and unless we are successful in achieving this, the defense efforts of the United States might well end in an expensive and ineffective military coalition that looks well on paper but is deficient owing to the lack of a common purpose and determination.

We believe that grants to provide capital for development purposes should be severely limited, though there may be unusual cases in which they are warranted. We are favorably impressed with the educational exchange and technical assistance programs within the limits of manpower availability.

Priority Among Recipient Nations

In foreign assistance programs a higher priority should be given to those countries which have joined in the collective security system.

We recognize that some nations apparently do not entertain either the same apprehension as we do of the threat of Communist conspiracy or the same judgment as to the necessary to defend [illegible] We fully respect indeed their objectives [illegible] whatever course [illegible] Our Government [illegible] do like-[illegible] marshal [illegible] by which [illegible] contributes [illegible] abroad; [illegible] rce volume of [illegible] services which [illegible] States sells abroad, [illegible] to American pro[illegible] and workers.

[illegible] therefore,

not satisfied that all are doing so. Mutual security rests squarely upon mutuality of obligation and a general agreement among these participating as to the desirability of the ends sought. Unless this be kept constantly in mind and unless we are successful in achieving this, the defense efforts of the United States might well end in an expensive and ineffective military coalition that looks well on paper but is deficient owing to the lack of a common purpose and determination.

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[illegible] therefore,

conforming to [illegible] standards.

Representative Chet [illegible] Democrat of California,

said, in response to questions, that the A. E. C. was studying several alternatives methods of stockpilin material.

He testified that he was opposed to stockpiling of raw ore because it was subject to erosion and wind losses, "ties up a lot of capital" and must be milled at the site of the stockpile. Being studied, he reported, is the possibility, instead, of storing "concentrates" that have been put through the first stage of refinement. Concentrates, he added, last indefinitely and can be moved to milling sites for further refinement as it is needed.

He said that his procedure would permit continued mining at present level and avoid the possible need of a cut-back under stockpiling of raw ore.

He testified that stockpiling of fissionable material refined to the point where it was ready for use in weapons would depend on developments in the military program that could not be discussed in public session.

H. L. Price, its director of the division of civilian applications said that the A. E. C. has abou[illegible] the poi[illegible] [illegible]tion.

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also at Westchester and Valley Stream

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